



Sen. John G. Mulroe

Filed: 3/10/2017

10000SB1545sam001

LRB100 08730 AXK 23399 a

1 AMENDMENT TO SENATE BILL 1545

2 AMENDMENT NO. _____. Amend Senate Bill 1545 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Vehicle Code is amended by adding
5 Section 3-202.5 as follows:

6 (625 ILCS 5/3-202.5 new)

7 Sec. 3-202.5. Lienholder interest; insurance payments.

8 (a) An owner of a vehicle shall maintain comprehensive,
9 collision, or other insurance coverage for the damage or loss
10 of a vehicle if the coverage is required under the terms of a
11 loan agreement between the owner and a lienholder identified on
12 the vehicle's certificate of title. The owner, lienholder, or
13 agent or representative of the lienholder shall provide the
14 lienholder's name and address to the insurance company issuing
15 the insurance coverage and shall request that an endorsement to
16 the policy be issued naming the lienholder as an additional

1 insured entity, which shall be immediately issued by the
2 insurer.

3 (b) An insurer paying a claim under this Section for the
4 damage or loss of a vehicle shall issue the payment to both the
5 owner of the vehicle and the lienholder. An insurer's
6 obligation to issue payments to both the owner of the vehicle
7 and the lienholder shall not apply to a claim paid under a
8 lienholder's collateral protection insurance policy on a
9 vehicle securing the lienholder's loan when the vehicle owner
10 has failed to satisfy a loan condition to provide insurance
11 coverage for the damage or loss of the vehicle."